

*Oil & Gas Tax Increase Removed, Fiscal Discipline Provisions Added*  
April 2, 2009

WASHINGTON, D.C. - U.S. Rep Charlie Melancon (LA-03) voted today in support of the fiscal year 2010 House budget resolution, pointing to the inclusion of provisions to restore fiscal discipline to the federal government and bring honesty and accountability to the budget process. Rep. Melancon also noted that he decided to support the budget after he and other members from energy-producing states were successful in stripping from the bill new taxes on the oil and gas industry and a repeal of billions of dollars in energy industry tax incentives. These tax provisions, which were included in the President's original budget proposal, would have been a major tax increase on Louisiana's oil and gas industry, discouraging new exploration and production in an already high-risk field.

**"Louisiana's oil and gas industry has been a major economic engine in our state for decades, providing our workers with good jobs and the rest of the nation with reliable, American-made energy,"** said Rep. Melancon. **"As I and other members from energy-producing states have reasoned, raising taxes on the oil and gas industry would result in a sharp decline in domestic energy production, costing thousands of American jobs and making our country more dependent on foreign nations for fuel."**

**"I would like to thank Don Briggs and the Louisiana Oil and Gas Association for their hard work to make our voice heard in Washington. His leadership in organizing a petition drive against the oil and gas tax increase went a long way in helping us convey how deeply opposed the public is to these measures. I thank him for his support."**

Don Briggs, President of the Louisiana Oil and Gas Association, said "The tax increases in the President's budget proposal on the oil and gas industry would have been devastating to Louisiana businesses, and Congressman Melancon got that. On behalf of the Louisiana Oil and Gas Association, I thank him for his efforts to prevent this massive tax increase. We look forward to partnering with him in the future to fight for Louisiana's oil and gas industry."

Rep. Melancon continued, **"I would also like to thank my colleagues on the Budget Committee for listening to our appeals and removing the energy tax provisions. As we move forward on our path to energy independence, I will continue to support the development of all sources of domestic energy - both traditional fuels like oil and natural gas and emerging renewable energy sources like American-grown biofuels."**

Rep. Melancon also said he supported the House budget resolution after the Blue Dog Coalition successfully pushed for the inclusion of a number of their long-standing priorities to restore fiscal discipline in government spending. Rep. Melancon is a co-chair of the coalition of fiscally conservative House Democrats.

In order to address the issue of long-term fiscal sustainability, the Blue Dogs demanded that the FY '10 House budget resolution include an iron-clad commitment to statutory pay-as-you-go rules, a deficit neutral reserve fund for health care reform, and funding for program integrity to identify waste and abuse in government spending. Members of the Coalition also played a

critical role in bringing down discretionary spending levels and ensuring that cap and trade legislation is not subject to the budget reconciliation process.

**"As Blue Dogs, we understand that passing a budget is necessary if we are going to be successful in putting the country on the road to economic recovery,"** said Rep. Melancon, Blue Dog Co-Chair for Communications.

**"After weeks of negotiations with the administration, Chairman Spratt and members of our leadership, I can positively say that the FY '10 House budget resolution includes a number of long-standing Blue Dog priorities that are key to many of our members' support."**

During debate on the budget resolution today, Rep. Melancon spoke on the floor of the House of Representatives in support of the fiscal discipline provisions in the bill. To view his floor speech, [click here](#) , or visit Rep. Melancon's YouTube channel here: <http://www.youtube.com/user/RepCharlieMelancon>

### **Blue Dog Principles Included in House Budget Resolution**

- Reduces spending in the President's Budget by over \$7 billion, holding non-defense discretionary spending to 1.9% over inflation - the lowest level as a percent of the economy in nearly half a century.
- Requires that action on the Alternative Minimum Tax (AMT), Medicare Doctor payment fix and Estate tax be conditioned on passage of statutory pay-as-you-go (PAYGO) rules, the top priority of the Blue Dogs.
- Allows modification of the budget baseline only if a statutory PAYGO bill passes House first.
- Does not provide reconciliation for cap and trade legislation and does not assume any revenues from cap and trade are dedicated to any specific policy.
- Guarantees that the reserve fund for health care reform does not increase the deficit.
- Begins to close the gap between spending and revenues by cutting the deficit in half by 2013.
- Includes full funding for the President's defense request and supplemental for overseas military operations.
- Funds the President's budget request for Veterans at a \$5 billion increase.
- Includes funding for program integrity to identify waste and abuse in government spending, as well as language requiring a full review of the Department of Defense budget.

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